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NINETEENTH ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK OF RICHMOND

FOR THE YEAR ENDED DECEMBER 31, 1933



WM. W. HOXTON
Chairman and Federal Reserve Agent

NINETEENTH ANNUAL REPORT

OF THE

FEDERAL RESERVE BANK

OF RICHMOND

FOR THE YEAR ENDED DECEMBER 31, 1933



WM. W. HOXTON
Chairman and Federal Reserve Agent

**DIRECTORS AND OFFICERS
OF THE
FEDERAL RESERVE BANK OF RICHMOND
FOR YEAR 1934**

DIRECTORS

Class A

JAMES C. BRASWELL, 1934,
ROCKY MOUNT, N. C.

L. E. JOHNSON, 1935,
ALDERSON, W. VA.

CHAS. E. RIEMAN, 1936,
BALTIMORE, MD.

PRESIDENT, PLANTERS NATL. BANK & TRUST Co.,
ROCKY MOUNT, N. C.

PRESIDENT, FIRST NATIONAL BANK,
ALDERSON, W. VA.

PRESIDENT, WESTERN NATL. BANK OF BALTIMORE,
BALTIMORE, MD.

Class B

JOHN H. HANNA, 1934,
WASHINGTON, D. C.

DAVID R. COKER, 1935,
HARTSVILLE, S. C.

CHAS. C. REED, 1936,
RICHMOND, VA.

PRESIDENT, CAPITAL TRANSIT Co.,
WASHINGTON, D. C.

PLANT BREEDER AND FARMER.

VICE-PRES., WILLIAMS & REED, INC.,
WHOLESALE DRY GOODS,
RICHMOND, VA.

Class C

WM. W. HOXTON, 1935,
RICHMOND, VA.

FREDERIC A. DELANO, 1936,
WASHINGTON, D. C.

ROBERT LASSITER, 1934,
CHARLOTTE, N. C.

CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT.

DEPUTY CHAIRMAN OF THE BOARD.
RETIRED RAILWAY EXECUTIVE AND CONSULTING ENGINEER

CHAIRMAN OF BOARD, MOORESVILLE COTTON MILLS,
MOORESVILLE, N. C.

OFFICERS

GEORGE J. SEAY,
GOVERNOR.

CHAS. A. PEPLE,
DEPUTY GOVERNOR.

R. H. BROADDUS,
DEPUTY GOVERNOR.

J. S. WALDEN, JR.,
CONTROLLER.

GEORGE H. KEESEE,
CASHIER.

WM. W. HOXTON,
CHAIRMAN OF THE BOARD AND
FEDERAL RESERVE AGENT.

J. G. FRY,
ASSISTANT FEDERAL RESERVE AGENT.

T. F. EPES,
AUDITOR.

ALBERT S. JOHNSTONE,
MANAGER, PERSONNEL AND SERVICE.

JOHN T. GARRETT,
MANAGER, BANK RELATIONS DEPARTMENT.

W. W. DILLARD,
ASSISTANT CASHIER.

EDWARD WALLER, JR.,
ASSISTANT CASHIER.

COUNSEL

MAXWELL G. WALLACE.

MEMBER FEDERAL ADVISORY COUNCIL

HOWARD BRUCE, 1934,
BALTIMORE, MD.

**DIRECTORS AND OFFICERS
OF THE
FEDERAL RESERVE BANK OF RICHMOND
FOR YEAR 1934**

(Continued)

BALTIMORE BRANCH

DIRECTORS

HUGH LEACH, 1934, BALTIMORE, MARYLAND.	MANAGING DIRECTOR.
LEVI B. PHILLIPS, 1934, CAMBRIDGE, MARYLAND.	PRESIDENT, NATIONAL BANK OF CAMBRIDGE, CAMBRIDGE, MARYLAND.
L. S. ZIMMERMAN, 1935, BALTIMORE, MARYLAND.	VICE-PRESIDENT, MARYLAND TRUST CO., BALTIMORE, MARYLAND.
M. M. PRENTIS, 1936, BALTIMORE, MARYLAND.	PRESIDENT, FIRST NATIONAL BANK, BALTIMORE, MARYLAND.
WM. H. MATTHAI, 1934, BALTIMORE, MARYLAND.	PRESIDENT, BEAVER DAM MARBLE CO., BALTIMORE, MARYLAND.
EDMUND P. COHILL, 1935, HANCOCK, MARYLAND.	ORCHARDIST.
NORMAN JAMES, 1936, BALTIMORE, MARYLAND.	PRESIDENT, THE JAMES LUMBER CO., BALTIMORE, MARYLAND.

OFFICERS

HUGH LEACH, MANAGING DIRECTOR.
JOHN R. CUPIT, CASHIER.
J. A. JOHNSTON, ASSISTANT CASHIER.
F. W. WRIGHTSON, ASSISTANT CASHIER.

CHARLOTTE BRANCH

DIRECTORS

W. T. CLEMENTS, 1934, CHARLOTTE, N. C.	MANAGING DIRECTOR.
W. H. WOOD, 1934, CHARLOTTE, N. C.	PRESIDENT, AMERICAN TRUST COMPANY, CHARLOTTE, N. C.
C. L. COBB, 1935, ROCK HILL, S. C.	ACTIVE VICE-PRESIDENT, PEOPLES NATIONAL BANK, ROCK HILL, S. C.
ROBERT GAGE, 1936, CHESTER, S. C.	VICE-PRESIDENT AND CASHIER, COMMERCIAL BANK, CHESTER, S. C.
JOHN LINDSAY MOREHEAD, 1934, CHARLOTTE, N. C.	CHAIRMAN OF BOARD, LEAKSVILLE WOOLEN MILLS, LEAKSVILLE, N. C.
C. A. CANNON, 1935, CONCORD, N. C.	PRESIDENT, CANNON MANUFACTURING COMPANY, CONCORD, N. C.
F. F. BEATTIE, 1936, GREENVILLE, S. C.	PRESIDENT, FIRST NATIONAL BANK, GREENVILLE, S. C.

OFFICERS

W. T. CLEMENTS, MANAGING DIRECTOR.
R. L. CHERRY, CASHIER.

**FEDERAL RESERVE BANK
OF RICHMOND**

March 31, 1934.

THE FEDERAL RESERVE BOARD,
Washington, D. C.

GENTLEMEN:

I have the honor to submit herewith the Nineteenth Annual Report of the Federal Reserve Bank of Richmond, for the year ended December 31, 1933.

Respectfully,

WM. W. HOXTON,
Chairman of the Board and
Federal Reserve Agent.

COMPARATIVE STATEMENT OF CONDITION

RESOURCES

	Dec. 31, 1933	Dec. 31, 1932
GOLD RESERVES AND OTHER CASH:		
Gold with Federal Reserve Agent.....	\$142,475,000.00	\$ 73,000,000.00
Gold Redemption Fund—F. R. Notes.....	1,885,700.00	1,857,200.00
Gold Settlement Fund.....	25,956,882.47	11,069,430.06
Gold Coin and Certificates.....	1,088,733.00	3,392,412.50
Total Gold Reserves.....	\$171,406,315.47	\$ 89,319,042.56
Legal Tender Notes and Silver Certificates.....	7,319,621.00	7,784,601.00
National and Federal Reserve Bank Notes.....	3,553,455.00	2,032,880.00
Silver and Minor Coin.....	1,202,675.18	2,091,554.86
Total Gold Reserves and Other Cash.....	\$183,482,066.65	\$101,228,078.42
REDEMPTION FUND—F. R. BANK NOTES	267,150.00
EARNING ASSETS:		
Bills Discounted—Secured by U. S. Gov. Obligations....	\$ 456,139.50	\$ 2,256,139.27
Bills Discounted—All Other.....	4,077,282.45	13,953,186.70
Total Bills Discounted.....	\$ 4,533,421.95	\$ 16,209,325.97
Bills Purchased in Open Market.....	3,926,194.05	1,866,660.30
United States Government Securities.....	78,562,500.00	47,132,500.00
Total Earning Assets.....	\$ 87,022,116.00	\$ 65,208,486.27
DUE FROM FOREIGN BANKS	129,971.35	119,235.23
F. R. NOTES OF OTHER F. R. BANKS	1,311,885.00	1,196,540.00
UNCOLLECTED ITEMS:		
Transit Items.....	\$ 32,706,700.75	\$ 27,579,006.85
Exchanges for Clearing House.....	1,257,091.08	465,924.50
Other Cash Items.....	311,458.13	213,841.67
Total Uncollected Items.....	\$ 34,275,249.96	\$ 28,258,773.02
MISCELLANEOUS ASSETS:		
Fiscal Agency Expenses, Reimbursable.....	\$ 38,570.44	\$ 15,898.44
Bank Premises, (Richmond and Baltimore).....	3,123,265.33	3,237,318.61
Other Real Estate.....	266,819.78	278,596.40
Claims Account Closed or Suspended Banks.....	2,145,036.81	2,714,793.25
All Other Resources.....	101,983.42	44,891.29
Total Miscellaneous Assets.....	\$ 5,680,674.74	\$ 6,291,497.99
TOTAL RESOURCES	\$312,169,113.70	\$202,301,610.93

LIABILITIES

CAPITAL:		
Capital paid in.....	\$ 5,034,950.00	\$ 5,149,700.00
Surplus.....	10,979,454.93	11,616,582.86
Total Capital.....	\$ 16,014,404.93	\$ 16,766,282.86
DEPOSITS:		
Member Banks—Reserve Accounts.....	\$ 96,255,450.37	\$ 51,950,712.08
United States Treasurer.....	337,683.86	243,894.68
Participation in Due to Foreign Banks.....	162,370.48	837,683.76
Non-members—Clearing Accounts.....	438,834.48	1,807,464.73
Officers' Checks and Drafts.....	85,297.93	79,386.75
Other Deposits.....	3,161,223.27	158,990.90
Total Deposits.....	\$100,440,860.39	\$ 55,078,132.90
DEFERRED AVAILABILITY CREDITS:		
United States Treasurer.....	\$ 2,268,465.43	\$ 1,267,317.92
All Other Transit Items.....	30,161,728.55	25,920,628.05
Total Deferred Availability Credits.....	\$ 32,430,193.98	\$ 27,187,945.97
NOTE CIRCULATION:		
F. R. Notes in Actual Circulation.....	\$157,541,205.00	\$101,500,540.00
F. R. Bank Notes in Actual Circulation.....	4,522,650.00
MISCELLANEOUS:		
Reserve for Expenses Accrued and Unpaid.....	\$ 6,267.16	\$ 2,799.17
Reserve for Self Insurance.....	400,000.00	400,000.00
Reserve for Losses.....	754,772.49	362,872.10
Unearned Discount.....	10,498.75	45,348.11
Suspense Credits—Recon. Finance Corp.....	14,999.24	947,622.00
All Other Liabilities.....	38,261.76	10,067.82
Total Miscellaneous Liabilities.....	\$ 1,219,799.40	\$ 1,768,709.20
TOTAL LIABILITIES	\$312,169,113.70	\$202,301,610.93

NINETEENTH ANNUAL REPORT

FEDERAL RESERVE BANK OF RICHMOND

GENERAL BUSINESS CONDITIONS

<u>STATISTICAL SUMMARY</u>	<u>1933</u>	<u>1932</u>
Debits to Individual Accounts (23 Cities)	\$ 9,163,539,000	\$10,495,604,000
Number of Commercial Failures, 5th Districts	1,515	1,936
Liabilities Involved in Failures.....	\$ 34,380,335	\$ 54,233,281
Cotton Consumption, 5th District Mills (Bales)	2,914,087	2,403,441
Cotton Grown in 5th District (Bales).....	1,470,000	1,410,000
Cigarettes Manufactured in 5th District..	93,700,961,000	84,979,282,000
Total Taxes on Tobacco Products, 5th District	\$ 309,011,611	\$ 282,821,000
Tobacco Grown in 5th District (Pounds)	717,765,000	417,130,000
Building Permits Issued, 31 Cities.....	21,360	27,781
Value of Building Permits, 31 Cities.....	\$ 20,728,673	\$ 35,613,841
Value of Contracts Awarded, 5th District	\$ 102,465,338	\$ 157,483,234
Total Sales, 31 Department Stores, 5th District	\$ 82,605,561	\$ 86,602,758
Total Sales, 59 Wholesale firms, 5th District	\$ 46,842,579	\$ 41,089,711
Bituminous Coal Mined in 5th District (Tons)	100,660,000	93,160,000

The first quarter of 1933 witnessed a continuation of acutely depressed business in the Fifth Federal reserve district, culminating in the banking holiday in March. During the second quarter signs of improvement began to be noted, and there was a material rise in confidence and morale. The second half year witnessed a larger volume of trade than in the preceding year, and in some lines the improvement was so notable that the total business for the year was carried ahead of the business done in 1932. Debits to individual accounts figures in 1933 in twenty-three cities lacked 13 per cent of equaling 1932 figures, a decrease due in large part to frozen funds in banks which did not reopen after the banking holiday. The number of commercial failures and liabilities involved in the district last year declined 22 per cent and 37 per cent, respectively, the latter months of the year making an especially favorable comparison with other recent years. Cotton consumption in the Fifth district rose 21 per cent above 1932 consumption, and tobacco manufacturing increased by 9 per cent in the later year. Construction work continued in very

small volume, especially projects undertaken with private funds. Permits issued by building inspectors in 31 cities declined 23 per cent under the low figures for 1932, and estimated valuation figures in the same cities dropped 42 per cent. Aggregate value of all contracts awarded in the Fifth district in 1933, including both rural and urban projects, fell 35 per cent below the value of 1932 contracts. Total sales in 31 representative department stores lacked 5 per cent of equaling 1932 sales, but the decline occurred in the first half of the year, the records of February and March being especially bad. Sales by 59 wholesale firms, representing groceries, dry goods, shoes, hardware and drugs, exceeded 1932 sales by 14 per cent, all lines gaining except drugs, and dry goods and hardware rising more than 30 per cent. Bituminous coal production in the Fifth district rose by 8 per cent last year over 1932 production, reflecting increased consumption in industrial and transportation fields. In agriculture, 1933 was the best year Fifth district farmers have had for several years. On the whole, yields were good and prices were materially better than in 1932. The two leading cash crops, cotton and tobacco, brought growers many millions of dollars more than they received for the preceding year's crops. Cotton rose only 4 per cent in yield last year, but the value of the crop increased more than 65 per cent. The fifth district tobacco production in 1933 was 72 per cent above 1932 production, and the total value of the crop rose 120 per cent. As a result of the favorable crop year, farmers in the district as a rule paid out on the year's expenses, and in many cases were able to reduce debts carried over from recent unfavorable years.

PHYSICAL VOLUME OF OPERATIONS

The volume of work handled by the Federal Reserve Bank of Richmond in 1933 was larger than the volume handled in 1932 in most of the departments of the Bank, a considerable amount of the additional work resulting from the disturbances caused by the banking holiday in March, and by a marked increase in work for the Federal Treasury or various Federal agencies. Bills discounted for member banks and acceptances purchased in the open market declined 48.7 per cent in number in comparison with bills discounted and bought in 1932, and the amount of these bills handled last year was 65.7 per cent less than the amount handled in the earlier year. The Transit department handled a slightly smaller volume of checks in 1933 than in 1932, the number of items decreasing .78 per cent and the total amount involved decreasing 1.91 per cent. Non-cash collections handled for member banks in 1933 rose in number by 25.5 per cent, and the amount rose by 14.02 per cent. Currency received and counted at the Federal Reserve Bank of Richmond in 1933 exceeded the currency received in 1932 by 5.25 per cent in number of pieces and 21.09 per cent in total amount, and currency paid out rose

ITEMS	1933	1932	Per Cent of Increase or Decrease
BILLS DISCOUNTED AND BOUGHT:			
Number	49,779	97,035	— 48.70
Amount	\$ 565,863,000	\$ 1,650,536,000	— 65.72
CHECKS HANDLED BY TRANSIT DEPARTMENT:			
Number	46,191,000	46,554,000	— .78
Amount	\$ 7,659,951,000	\$ 7,809,312,000	— 1.91
NON-CASH COLLECTIONS HANDLED:			
Number	374,830	298,662	+ 25.50
Amount	\$ 231,824,000	\$ 203,313,000	+ 14.02
CURRENCY RECEIVED AND COUNTED (Including new notes):			
Number of pieces.....	147,764,002	140,391,302	+ 5.25
Amount	\$ 692,890,000	\$ 572,220,000	+ 21.09
CURRENCY PAID OUT (Includes redemptions):			
Number of pieces.....	150,039,596	139,111,637	+ 7.86
Amount	\$ 720,609,000	\$ 571,835,000	+ 26.02
COIN RECEIVED AND COUNTED (Includes new):			
Number of pieces.....	170,436,385	157,862,145	+ 7.97
Amount	\$ 38,564,000	\$ 14,456,000	+166.77
COIN PAID OUT (Including redemptions):			
Number of pieces.....	182,470,345	150,804,700	+ 21.00
Amount	\$ 39,551,000	\$ 15,032,000	+163.11
TRANSFERS OF FUNDS FOR MEMBER BANKS:			
Number	78,783	109,061	— 27.76
Amount	\$ 3,883,193,000	\$ 4,201,225,000	— 7.57
FISCAL AGENCY WORK: U. S. securities received, issued, redeemed, cancelled or exchanged:			
Number*	94,676	40,430	+134.17
Amount*	\$ 345,239,000	\$ 250,614,000	+ 37.76

*These figures include Federal Intermediate Credit Bank debentures and Farm Loan Bonds redeemed.

7.86 per cent in number of pieces and 26.02 per cent in aggregate amount. Coin received and counted rose in number of pieces by 7.97 per cent and the amount involved rose by 116.77 per cent, the marked increase in the amount handled being due in large part to transfers of gold coin from the Treasury to the reserve bank last year just preceding the bank holiday and the return of gold from member and non-member banks to the Treasury later in the year, when all gold was being called in by the Government. Coin paid out last year rose in number of pieces by 21.0 per cent, and the total amount paid out rose by 163.11 per cent. Transfers of funds for member

banks declined last year by 27.76 per cent in number in comparison with 1932, while the amount so transferred declined by 7.57 per cent. Fiscal Agency work for the Treasury increased notably in 1933, the number of pieces of securities handled rising by 134.17 per cent, and the amount involved rising by 37.76 per cent.

FINANCIAL RESULTS OF OPERATIONS

The following is a condensed statement of receipts and disbursements for the year 1933:

ITEMS	Total Earnings	Annual Rate of Earnings
Bills Discounted	\$ 517,965	.0356
Bills Purchased	51,639	.0174
U. S. Securities Held	1,060,611	.0179
Penalties and Miscellaneous Earnings.....	68,976	
Total Gross Earnings.....	\$1,699,191	.0192
Current Expenses	1,544,618	
Current Net Earnings	\$ 154,573	
Additions to Current Earnings.....	48,035	
	\$ 202,608	
Account of Reserves, Depreciations, etc.....	531,348	
Net Deficit	\$ 328,740	
Dividends Paid	308,388	
Gross Deficit	\$ 637,128	

Total earnings of the Federal Reserve Bank of Richmond did not meet expenses in 1933, and there was a net deficit on the year's operations of \$328,740. The payment of dividends raised the gross deficit to \$637,128, which was charged to the Bank's surplus account. The deficit for the year was due chiefly to the comparatively small amount of paper offered for discount by member banks. Total earning assets of the Bank during the year were materially larger than in 1932, but the major portion of the investments was in short-time Government securities on which the income was very low. The percentage of gross earnings derived from the discount of member bank paper was only 31 per cent last year, compared with 51 per cent in 1932. The Bank increased its holdings of Government securities in 1933, and 62 per cent of gross earnings came from these investments, in contrast with 32 per cent of earnings derived from Government securities in the preceding year. Daily average holdings of open market paper in 1933 was below the average for 1932, and the rate of return in the later year was only about half the rate of the earlier year; as a result of the two decreases, only 3 per cent of gross earnings in 1933 came from bills purchased, in comparison with 7 per cent in 1932. Penalties and miscellane-

ous earnings made up 4 per cent of total earnings last year, compared with 10 per cent of gross earnings derived from this source in 1932.

Current expenses of the Federal Reserve Bank of Richmond in 1933 exceeded expenses in 1932 by \$138,498, of which approximately \$50,000 represented an increase in the cost of Federal reserve currency. Shipping charges on currency and coin also rose about \$37,000 in 1933, postage on ordinary mail rose by \$15,000, and the operation of a unit to handle suspended banks cost \$7,000. A necessary increase in the Examination department, due to increased responsibility under the Banking Act of 1933 and to greatly enlarged State bank membership, cost approximately \$23,000.

EXPENSES OF OPERATION IN 1933

The expenses of Federal Reserve Banks are incurred in the exercise of functions prescribed by law, which involve the rendering of services directly to the United States Treasury, the Reconstruction Finance Corporation, and to member banks, and through member banks indirectly to the entire business community—agricultural, industrial, and commercial.

Federal Reserve Banks—furnish an elastic currency; afford means of rediscounting commercial and agricultural paper; act as fiscal agents of the U. S. Treasury Department, and the Reconstruction Finance Corporation; pay checks and warrants drawn on the Treasury of the United States; exercise the functions of Sub-Treasuries in the supply, exchange, and redemption of currency and coin; effect the par clearance of checks on a large majority of the banks of the country; collect for member banks maturing notes, drafts, etc.; effect the transfer of funds by telegraph and mail, and make daily settlement between all Federal Reserve Districts; and perform other public services.

The expenses of conducting the operations of the Federal Reserve Bank of Richmond for the year 1933, divided according to functions, were as follows:

CURRENCY AND COIN

The cost of receiving and handling 147,764,002 pieces of currency aggregating \$692,890,100, of which 100,213,026 pieces had been in circulation and had to be sorted and counted; paying or shipping out 150,039,596 pieces of currency aggregating \$720,609,000; receiving and handling 170,436,385 pieces of coin aggregating \$38,564,000; paying or shipping out 182,470,345 pieces of coin aggregating \$39,551,400 was \$104,078.30

The shipping charges (postage, expressage and insurance) on currency and coin to and from out-of-town members amounted to..... 115,707.90

Assessments by the Treasury Department to cover the cost of printing and maintaining an adequate supply of new Federal Reserve Currency and the cost of redeeming and destroying Federal Reserve Notes and Federal Reserve Bank Notes unfit for circulation, plus the shipping charges thereon between the bank and Washington and the shipping charges on fit F. R. Notes between the bank and other Federal Reserve Banks amounted to 77,329.43

Total Cost..... \$ 297,115.63

LOANS, REDISCOUNTS AND INVESTMENTS

The cost of making discounts and advances to 290 member banks; 47,510 notes aggregating \$534,280,000 were received, examined and discounted; 90,591 notes collateral to member bank notes aggregating \$331,593,000 were received, examined and handled; 9,279 pieces of marginal or excess collateral, aggregating \$18,172,000 were received, examined and handled; 2,269 bankers' acceptances aggregating \$27,964,000 were purchased in the open market; includes the cost of special handling accorded 6,431 notes aggregating \$35,969,000 paid before maturity and the unearned discount rebated; also includes the cost of credit investigations, securing and analyzing commercial and bank statements, maintaining credit files, etc.\$ 67,733.29

The cost of effecting 2,568 transactions in the purchase and sale (in the open market) of government securities for out-of-town banks, aggregating \$240,307,000 and the cost of receiving, verifying and holding securities pledged as collateral to notes, and for safe keeping, and maintaining the proper records thereof, as follows: receiving 47,546 pieces aggregating \$895,376,000; shipping 46,607 pieces aggregating \$862,450,000; holding in our vaults throughout the year securities, deposited by member banks as collateral to discounts or for safe keeping, ranging from \$72,500.00 to \$147,016,000 was..... 12,921.60

Total Cost.....	\$ 80,654.89
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TRANSIT AND COLLECTIONS

Handling and collecting 43,077,000 checks, aggregating \$7,273,500,000 cost.....\$152,114.17

Receiving, examining, paying and listing according to Treasury regulations 3,114,000 government checks, aggregating \$386,451,000, and shipping them to Washington cost.... 9,930.14

Handling 1,365,700 checks aggregating \$52,115,000 returned unpaid for various reasons cost 19,580.62

Handling 374,830 non-cash collection items (maturing notes, drafts, coupons, etc.), aggregating \$231,824,000 cost..... 38,274.55

Total Cost.....	\$ 219,899.48
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ACCOUNTING

This function includes:

The general books, capital stock records, issuing and recording official checks, and the detail daily transcript of the general account of the Treasurer of the United States.

The member bank accounts—both reserve accounts and deferred accounts—and the calculation of deficiencies in reserve, if any, and the assessments of penalties for deficiencies as prescribed by law.

The accounts with other Federal Reserve Banks, and the operation of the Gold Settlement Fund through which \$11,143,287,000 was received from and paid to other Federal Reserve Banks and Branches, the Treasurer of the United States, and the Federal Reserve Agent.

The transfers of funds for account of member banks of which there were 78,783 aggregating \$3,883,193,000.

The accounting involved in making all the expenditures of the bank.

The accounting and other expenses in connection with closed or suspended banks.

Planning new accounting forms and systems and making changes in old forms as the need therefor arises.

Total Cost.....	\$ 151,536.02
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FISCAL AGENT OF THE UNITED STATES

Services rendered as Fiscal Agent of the U. S. Government and the Reconstruction Finance Corporation:

Receiving, proving and crediting to banks, preparing schedules, cancelling and shipping to Washington 642,314 government coupons aggregating \$14,062,000 cost.....	\$ 3,521.71
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Fiscal Agency work for the U. S. Government principally relating to the issue of 41,419 pieces of government securities amounting to \$110,928,000; the redemption of 39,132 pieces amounting to \$64,207,000; the exchange and transfer of 14,061 pieces amounting to \$170,104,000; the redemption of war savings and thrift stamps 64 pieces amounting to \$17; the receipt of subscriptions and payments for new issues, the handling of the war loan depository accounts, the custody of a stock of securities ranging from \$97,267,000 to \$209,889,000 cost	43,876.83
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Total Cost	\$ 47,398.54
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Reimbursed by Treasury Department.....	26,412.39
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Net Cost to the Bank.....	\$ 20,986.15
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Services performed as Fiscal Agent, Depository, and Custodian for the Reconstruction Finance Corporation; consisting principally of paying the proceeds of loans to applicants; the custodianship of the primary obligations and the supporting collateral; and the collection of these loans and collateral. This work cost	186,648.98
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Reimbursed by the Reconstruction Finance Corporation	182,150.87
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Net Cost to the Bank.....	4,498.11
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GENERAL EXPENSES—NOT ALLOCATED TO THE ABOVE FUNCTIONS

General overhead and supervisory expenses.....	\$133,738.22
Directors' fees and traveling expenses.....	9,635.80

Governors', Federal Reserve Agents' and Federal Advisory Council Conferences.....	473.07
Our proportion of the expenses of the Federal Reserve Board	31,642.54
Operation of the banking houses at Richmond, Baltimore and Charlotte (includes salaries of superintendent, mechanics, firemen, janitors, elevator operators, etc., and rent, light and power, heat, taxes, fire insurance, repairs and alterations, etc.)	170,075.20*
The provision of personnel.....	20,373.37
Legal expenses	9,450.93
Maintaining the general audit of the Bank and branches	24,936.36
Work of the Federal Reserve Agent's Department, including issuance of Federal Reserve notes, custody of collateral therefor, custody of reserve stock of Federal Reserve notes, the examination of member banks, preparing and publishing the Monthly Review of Business and Agricultural Conditions, assembling various statistical data, etc.....	76,088.58
Bank relations work; visiting and advising, and conferences with member and non-member banks	16,358.40
Handling incoming and outgoing ordinary and registered mail	23,016.47
Protection—Salaries of special officers and watchmen, and other protective services.....	68,578.74
Other general services, including purchasing of supplies and equipment, operating the office supplies and stationery stock room, telephone service, filing and caring for old records, operating duplicating processes, salaries of general office boys, operation of automobile trucks, and repairs to equipment.....	71,959.31
Shipping charges (postage and insurance) on securities	1,383.30
Postage on ordinary mail.....	87,474.57
Insurance—Employees' group life, Employees' fidelity, Bankers' blanket bond and burglary, Workmen's Compensation, Fire—equipment and supplies, and automobile.....	22,678.06
Total Cost	\$ 767,862.92
Total Operating Expense.....	\$1,542,553.20**

*No deduction is made from this item for income from banking houses, amounting to \$24,157.43.

**The total Operating Expense during 1933 was \$2,064.31 less than the total amount of expenditures charged to the Current Expense account of the Bank during the year. The difference represents the excess of office supplies, printing and stationery, and postage purchased during the year and charged to Current Expense account, over the amount of such supplies actually used during the year and charged to the proper functions in the above statement of Operating Expenses.

DISCOUNT OPERATIONS

Paper discounted in 1933 for member banks by the Federal Reserve Bank of Richmond totaled only \$534,280,000, a decrease of 67 per cent in comparison with paper totaling \$1,622,205,000 discounted in 1932. The average daily amount of paper under discount, which is a better measure of credit extended to member banks than the total of bills discounted, declined approximately 47 per cent during the later year. The banks in all of the six geographical divisions of the Fifth district borrowed less than in 1932, discounts for South Carolina banks showing the greatest decrease in borrowing, 68.7 per cent, while District of Columbia banks with a drop of 8.7 per cent decreased least. Banks in other sections decreased their discounting in 1933 as follows: North Carolina banks 55.9 per cent, Maryland banks 55.5 per cent, Virginia banks 50.2 per cent, and West Virginia banks 25.5 per cent. In actual amount borrowed, Virginia banks led, while South Carolina banks borrowed least. The average amount of paper under discount at the Richmond bank in 1933 on which interest was collected was \$14,545,836, in comparison with \$27,459,829 in 1932. In addition to the discounts on which interest was collected last year, there was outstanding an average of \$1,300,505 in past due paper of conservator banks, on most of which interest will be collected later.

Of the total volume of 1933 discounts, 41.8 per cent was secured by Government obligations, compared with 29.1 per cent in 1932. Member bank notes secured by eligible paper and rediscounts of secured or unsecured commercial or agricultural paper made up 58.2 per cent of total discounts and rediscounts at the Federal Reserve Bank of Richmond in 1933, compared with 70.9 per cent in 1932. The discount rate on eligible paper at the Richmond reserve bank remained at 3½ per cent during 1933, but some loans were made to member banks at 5 per cent under authority of Section 10(b) of the Federal Reserve Act, as amended.

ACCEPTANCES

The Federal Reserve Bank of Richmond discounted no bankers' acceptances for member banks in either 1933 or 1932. Trade acceptances discounted totaled \$114,801 in 1933, compared with \$732,169 in 1932. Purchases of bankers' acceptances from member banks and in the open market rose approximately 11.5 per cent last year. Aggregate purchases of acceptances totaled \$31,582,472 in 1933, compared with \$28,330,613 in 1932. However, in spite of an increase in total purchases, average daily holdings of open market paper totaled only \$2,962,052 last year, in comparison with \$3,698,043 in 1932, a decline of 20 per cent, and the average rate of interest on open market paper was so much lower last year

that earnings from this class of assets totaled only \$51,639, a decrease of 60 per cent under \$130,184 derived from investments in open market paper in 1932.

CHECK COLLECTIONS

Checks handled by the Transit department of the Federal Reserve Bank of Richmond numbered 46,191,000 in 1933, with a daily average of 153,458, compared with 46,554,000 checks handled in 1932, with a daily average of 154,664. Last year the check tax law was in effect during the entire year, while in 1932 it applied only about half the year. The average amount of each item handled in 1933 was only \$166, the lowest figure in the history of the reserve bank and 1.2 per cent below the average of \$168 per item in 1932. Of the 46,191,000 items handled in 1933, 6,042,000 items were drawn on banks outside the Fifth reserve district and were forwarded to other Federal reserve banks and branches, and 3,114,000 items were drawn on the Treasurer of the United States. The numbers of items drawn on outside banks and on the Treasurer of the United States were both larger than the numbers drawn in 1932.

Cash letters forwarded direct to other Federal reserve banks and branches by member banks in the Fifth district, for collection and credit to the reserve accounts of the sending banks at the Federal Reserve Bank of Richmond, numbered 188,515 last year, totaling in amount \$1,399,165,000, as compared with 221,667 cash letters amounting to \$1,409,048,000 sent direct to other districts in 1932. The direct routing of cash items results in a saving of transit time in securing credit to reserve accounts.

NON-CASH COLLECTIONS

The Collection department of the Federal Reserve Bank of Richmond undertakes to collect notes, acceptances, drafts and securities for member banks, and was one of the departments of the Bank which handled a materially larger volume of work in 1933 than in 1932. Last year 374,830 items were handled, totaling \$231,824,000, compared with 298,662 items totaling \$203,313,000 handled in 1932. The average amount of the items handled in 1933 was \$618, a decrease of approximately 9 per cent under the average of \$681 per item handled in 1932.

GOLD SETTLEMENT FUND

The Federal Reserve Bank of Richmond began 1933 with a credit amounting to \$11,069,000 in the Gold Settlement Fund. Total receipts through the Fund during the year from reserve banks and the Treasurer of the U. S. totaled \$5,438,-

872,000, while disbursements through the Fund to reserve banks and the Treasurer totaled \$5,371,410,000, an excess of receipts over disbursements amounting to \$67,462,000. This amount was reduced by net withdrawals in other transactions amounting to \$52,575,000 during the year, leaving \$14,887,000 to be added to our credit in the Fund on December 31. The balance to the credit of the Federal Reserve Bank of Richmond in the Fund at the end of 1933 was therefore \$25,956,000.

The following table shows the total receipts from and payments to other Federal reserve banks on account of daily transit clearings, with percentages:

(000 omitted)				
Districts	Receipts from	Payments to	Total Settlements	Percentage of Total
Boston	\$ 121,311	\$ 113,400	\$ 234,711	3.38
New York	2,046,922	1,919,888	3,966,810	57.20
Philadelphia	405,106	434,370	839,476	12.10
Cleveland	344,229	311,712	655,941	9.46
Atlanta	232,817	237,537	470,354	6.78
Chicago	215,691	213,889	429,580	6.19
St. Louis	68,137	94,539	162,676	2.35
Minneapolis	13,301	5,571	18,872	.27
Kansas City	25,101	24,443	49,544	.72
Dallas	24,894	14,848	39,742	.57
San Francisco	29,962	38,010	67,972	.98
Totals.....	\$3,527,471	\$3,408,207	\$6,935,678	100.
Settlements between Head Office and Branches:				
Richmond	815,957	905,295	1,721,252	
Baltimore	646,823	572,827	1,219,650	
Charlotte	277,931	262,589	540,520	
Totals.....	\$5,268,182	\$5,148,918	\$10,417,100	

The percentages of settlements with five of the eleven other reserve districts were higher in 1933 than in 1932, the five being Boston, New York, St. Louis, Minneapolis and Kansas City, and the percentages with Dallas were the same in both years. The Federal Reserve Bank of Richmond received more from that it paid to Boston, New York, Cleveland, Chicago, Minneapolis, Kansas City and Dallas, but it paid more to than it received from Philadelphia, Atlanta, St. Louis and San Francisco. Aggregate settlements between Richmond and the other eleven districts totaled \$88,904,000 more in 1933 than in the preceding year, an increase of 1.3 per cent.

WIRE TRANSFERS OF FUNDS

As a part of its service to member banks, the Federal reserve bank makes transfers of funds for them without cost to the transferring banks. This service is facilitated by the operation of private leased wires connecting all reserve banks and

branches and the Federal Reserve Board. The Federal Reserve Bank of Richmond made 78,783 transfers for member banks in 1933, aggregating \$3,883,193,000, compared with 109,061 transfers totaling \$4,201,225,000 made in 1932. A total of 113,175 telegrams were sent or received over the private wire during 1933, compared with 129,783 messages transmitted in 1932, and in addition to the private wire, the Bank made extensive use of commercial telegraph service in its transactions with and for member banks.

CIRCULATION OF FEDERAL RESERVE NOTES

Federal reserve note circulation in 1933 was much higher than in any other recent year, owing in large part to the troubles which led to the banking holiday last March. Average daily circulation exceeded that of 1932 in every month of the year except January and February, and average daily circulation for the year totaling \$146,016,000 was 46 per cent above average circulation totaling \$99,981,000 in 1932. The movement of actual circulation was seasonal in 1933 after March, but a rise in February and March reversed the trend of normal years. The highest outstanding circulation was reached in March with a daily average of \$195,939,000, but from that month there was a steady seasonal decline to an average circulation of \$136,992,000 in August. From the August figure there was a seasonal rise each month to an average of \$157,935,000 in December. December, which is normally the high month of the year, was lower last year than either March, April or May. The low month of 1933 was January, with an average of \$98,530,000, in contrast with most years when the low point in circulation occurs in the summer, usually July or August. On March 14, 1933, actual circulation totaled \$216,706,000, the highest figure of the year, but as soon as solvent banks reopened and it became evident that there were to be no very marked withdrawals of deposits, circulation began to flow back to the Bank in such volume that by the end of March the amount outstanding had dropped to \$185,904,000.

CURRENCY AND COIN SERVICE

In supplying banks of the Fifth district with currency and coin in 1933, the Federal Reserve Bank of Richmond shipped \$441,299,489 to member banks and \$25,393,046 to non-members. The Bank received \$391,326,126 in currency and coin from member banks in 1933, and \$50,971,807 from non-member banks. The total amount of currency and coin shipped to or received from member and non-member banks in 1933 was \$908,990,468, a sum \$140,961,584, or 18 per cent, above total shipments and receipts in 1932.

The Federal Reserve Bank defrays all shipping and insurance charges on currency and coin shipments to and from

member banks, and it also pays all charges on remittances from non-member banks in settlement for cash letters, but all other shipments to and from non-member banks are made at the expense of the non-members concerned in the transaction. Such other shipments are usually in the nature of Sub-treasury transactions.

RESERVE POSITION

The ratios of cash reserves to note and deposit liabilities combined were lower at the Federal Reserve Bank of Richmond in the first quarter of 1933 than in the same period of 1932, but from and including April to the end of the year the 1933 ratios were materially higher than those of the earlier year. The increases after the middle of May were due in part to the inclusion in reserves of National bank notes, Federal reserve bank notes of other Federal reserve banks, subsidiary silver, nickels and cents. The monthly average ratio for 1933 was 69.41 per cent, compared with 60.59 per cent in 1932 and 67.05 per cent in 1931. The highest monthly average for 1933 was reached in May with 74.95 per cent, and the lowest was 61.89 per cent in March. The low average in March was partly due to an unusual increase in the circulation of Federal reserve notes in that month, incident to the reopening of banks after the holiday. In 1932 the high average was 66.78 per cent in April and the low point was 49.91 per cent in July. There was a difference of 13.06 points between the high and low points in 1933, a smaller difference than 16.87 points between the high and low points for 1932.

Average daily deposits totaled \$81,201,609 in 1933, compared with \$57,035,839 in 1932; average daily note circulation was \$146,015,850 in 1933 and \$99,981,234 in 1932; and daily average cash reserves totaled \$157,693,029 last year and \$95,128,830 in the preceding year. Deposits showed the highest daily average in December and the lowest in January; note circulation was highest in March and lowest in January; and cash reserves were highest in May and lowest in January.

CHANGES IN MEMBERSHIP

There were a number of changes in membership in the Federal Reserve System in the Fifth district in 1933, owing partly to banks not reopening after the banking holiday and partly to changes in banking laws which made State bank membership in the System more desirable than it had previously been. At the beginning of 1933, there were 393 member banks in the Fifth Federal reserve district, and during the year there was a net gain of 22 members, bringing the total membership up to 415 banks on December 31, 1933. Fifty-eight banks were added to membership in 1933, consisting of 25 new National banks, 3 conversions of non-members to Na-

tional banks, and 30 State banks admitted. Many of the new National banks were in reality reorganizations of member and non-member banks which were not licensed to reopen last March. Thirty-six members were lost during 1933, of which 14 were by suspensions and insolvency, 10 were liquidated by conservators, 8 were voluntarily liquidated, 2 were by mergers between members, 1 by absorption of a member by a non-member, and 1 by withdrawal of a State bank member. At the end of 1933 there were 356 National and 59 State bank members in the Fifth reserve district. Increased capital and surplus, and subscriptions of new member banks, added 17,442 shares of stock of the reserve bank to members' holdings in 1933, but liquidations, mergers, failures and reductions in capital or surplus deducted 19,737 shares, a net loss of 2,295 shares during the year. On December 31, 1933, member banks held 100,699 shares of the Federal Reserve Bank of Richmond, compared with 102,994 shares held on December 31, 1932. The net decrease in the paid-up capital of the Bank during 1933 was \$114,750.

BANK EXAMINATION DEPARTMENT

The Bank Examination department, which is under the immediate supervision of the Assistant Federal Reserve Agent, was materially expanded in 1933, owing chiefly to work in connection with State bank applications for membership. On December 31, 1933, the personnel of the department consisted of 11 examiners, 5 assistant examiners, 2 clerks, 1 messenger-clerk and 7 stenographer-clerks.

Field work done by the examiners in 1933 was as follows:

	Banks	Branches
Examinations of State member banks in conjunction with State Departments	24	9
Independent examinations of State member banks.....	4	
State banks visited in connection with applications for membership	3	
State banks examined in connection with application for membership	46	39
State banks examined for reorganization in conjunction with State Department	2	13
Visits in connection with reorganization of National banks	4	
Special investigation with R. F. C. of State member bank	1	
Special visits	2	
	<hr/> 86	<hr/> 61

In addition to the above schedule, some of our examiners assisted the Federal Reserve Board in the examination of the Federal Reserve Bank of New York. The examiners also assisted several National bank examiners in special work with National banks which were not licensed to reopen on 100%

basis immediately following the bank holiday. The purpose of this work was to assist the officers of the National banks in developing plans to rehabilitate their banks.

BANK RELATIONS DEPARTMENT

The Bank Relations department is the contact between the reserve bank and the member banks. In 1933, members of the department made 227 visits to member banks and 16 visits to non-members, a total of 243 visits. For the first time in several years the department was unable to complete its schedule of at least one visit to every member bank during the year, owing to the necessity of using the personnel for special work at the Home Office after the Banking holiday. Interviews were held with representatives of many non-member banks in reference to applications for membership, and other conferences with member bank representatives occurred in addition to visits made to them. During the year an additional full time member of the department was employed and assigned to the territory served by the Baltimore Branch.

PERSONNEL

The Board of Directors of the Federal Reserve Bank of Richmond held twelve regular and six special meetings in 1933. There was one change in the Board membership during the year, Mr. Edwin C. Graham, Class B director, resigning on September 26, and Mr. John H. Hanna, of Washington, D. C., being elected on November 27 to fill the unexpired term. Mr. Hanna is President of the Capital Transit Co., of Washington, D. C. In the annual Fall elections, member banks in Group 1 re-elected Chas. E. Rieman, of Baltimore, as Class A director and Chas. C. Reed, of Richmond, as a Class B director, both gentlemen to serve until December 31, 1936. The Federal Reserve Board reappointed Frederic A. Delano, of Washington, as a Class C director. The Reserve Board also re-designated William W. Hoxton as Chairman of the Board and Federal Reserve Agent for 1934, and Frederic A. Delano as Deputy-Chairman. On September 9, Mr. John A. Law, of Spartanburg, resigned as director of the Charlotte Branch, and the Federal Reserve Board appointed Mr. F. F. Beattie, President of the First National Bank, Greenville, S. C., to fill the unexpired term, ending December 31, 1933, and for the new term ending December 31, 1936.

At the December meeting, the Board of Directors re-elected Howard Bruce, of Baltimore, as the member of the Federal Advisory Council for the Fifth District, and also re-elected Chas. E. Rieman, of Baltimore, as alternate. Members of the Boards at Baltimore and Charlotte whose terms expired on December 31 were re-elected by the Board of Directors of the Bank or were reappointed by the Federal Reserve Board, the new terms to expire December 31, 1936.

There were no changes in the official personnel at the Head Office at Richmond or at either the Baltimore or Charlotte Branches during 1933. The total number of officers and employees at the three offices on December 31, 1933, was 746, of whom 123 were assigned to the R. F. C. Custodian departments at Richmond and Charlotte. While this latter group—which comprises 40 more persons than on December 31, 1932—are employees of the Bank, the Reconstruction Finance Corporation reimburses the Bank in full for their salaries. The increases shown below in the number of employees in other groups are due to increases in the volume of work in the Examination and Suspended Banks departments, to the employment of additional persons in the Bank Premises and Protection departments when the hours in these departments were shortened in co-operation with the National Recovery Administration, and to certain special work being carried on for a brief period for the Treasury Department.

	Dec. 31 1932	Dec. 31 1933	Net Change
<i>Richmond</i>			
Officers	13	13	0
Employees	318	377	+ 59
Total	331	390	+ 59
<i>Baltimore</i>			
Officers	4	4	0
Employees	170	173	+ 3
Total	174	177	+ 3
<i>Charlotte</i>			
Officers	2	2	0
Employees	45	54	+ 9
Total	47	56	+ 9
<i>R. F. C. Custodian Depts.</i>			
Richmond	58	98	+ 40
Charlotte	25	25	0
Total	83	123	+ 40
<i>Recapitulation</i>			
Officers	19	19	0
Employees	533	604	+ 71
R. F. C. Custodian	83	123	+ 40
Total	635	746	+111

BALTIMORE BRANCH

The Baltimore Branch territory embraces the State of Maryland and thirty counties in northern West Virginia, as follows:

Barbour	Hardy	Morgan	Taylor
Berkeley	Harrison	Nicholas	Tucker
Braxton	Jackson	Pendleton	Upshur
Calhoun	Jefferson	Pleasants	Webster
Doddridge	Lewis	Preston	Wirt
Gilmer	Marion	Randolph	Wood
Grant	Mineral	Ritchie	
Hampshire	Monongalia	Roane	

At the close of the year 1933 there were 110 member banks (100 open on an unrestricted basis and 10 in the hands of conservators) and 174 non-member banks (including restricted banks) in the territory served by the Baltimore Branch, all of the non-members being on the par list.

CHARLOTTE BRANCH

The Charlotte Branch territory embraces 34 counties in western North Carolina and 21 counties in western South Carolina. Counting out-of-town branches as separate banks, there were in the territory of the Charlotte Branch on December 31, 1933, 38 member banks, 9 par non-member banks, and 99 non-par non-member banks operating on an unrestricted basis. The counties served are as follows:

NORTH CAROLINA

Alexander	Jackson
Alleghany	Lincoln
Ashe	Macon
Avery	Madison
Buncombe	McDowell
Burke	Mecklenburg
Cabarrus	Mitchell
Caldwell	Polk
Catawba	Rowan
Cherokee	Rutherford
Clay	Stanly
Cleveland	Swain
Gaston	Transylvania
Graham	Union
Haywood	Watauga
Henderson	Wilkes
Iredell	Yancey

SOUTH CAROLINA

Abbeville	Lexington
Aiken	McCormick
Anderson	Newberry
Cherokee	Oconee
Chester	Pickens
Edgefield	Richland
Fairfield	Saluda
Greenville	Spartanburg
Greenwood	Union
Lancaster	York
Laurens	

FISCAL AGENCY OPERATIONS

As Fiscal Agent of the United States, the Fiscal Agency department of the Federal Reserve Bank of Richmond handled a larger volume of work in 1933 than in 1932. There were 5 issues of Certificates of Indebtedness, 4 issues of Treasury Notes, 2 issues of Treasury Bonds, and 33 special offerings of Treasury Bills sold on bids. Total subscriptions to the issues of Certificates of Indebtedness, Treasury Notes and Treasury Bonds amounted to \$632,460,300, of which \$147,178,300 was allotted. Bids totaling \$7,552,000 were made for Treasury Bills, but only \$683,000 was allotted. Including deliveries, redemptions and exchanges of all classes of Government secu-

rities, and redemptions of Federal Intermediate Credit Bank debentures and Farm Loan Bonds, the Bank handled 94,676 pieces with an aggregate value of \$345,239,000 during 1933, compared with 40,430 pieces valued at \$250,614,000 handled in 1932, increases last year of 134.17 per cent in number of pieces and 37.76 per cent in total value.

The United States Treasurer's general account with the Bank on January 1, 1933, showed a balance of \$243,895. Receipts by the Bank on this account during the year exceeded disbursements, and therefore the balance to the credit of the Treasurer rose to \$337,684 on December 31, 1933. This account fluctuates widely from day to day.

CUSTODIAN DEPARTMENT, RECONSTRUCTION FINANCE CORPORATION

The Federal Reserve Bank of Richmond continued to act as custodian for collateral held by the Reconstruction Finance Corporation during 1933, maintaining departments at Richmond and Charlotte for the purpose. At the end of 1933 the number of employees in the two Custodian departments numbered 123, of whom 98 were in Richmond and 25 in Charlotte. These persons are employees of the Bank, but their salaries are reimbursed to the Bank by the Reconstruction Finance Corporation.

FIDUCIARY POWERS

Acting under authority of Section 11(k) of the Federal Reserve Act, as amended, the Federal Reserve Board, upon recommendation of the Federal Reserve Agent, granted full Fiduciary powers to six National banks in 1933, and limited powers to one State bank member. One of the National banks, National Bank of Commerce, Norfolk, Va., was a consolidation of the Norfolk National Bank of Commerce & Trusts and the Virginia National Bank, both of which had authority to exercise fiduciary powers prior to the consolidation. The certificate of authority to exercise Fiduciary powers was issued November 8. Planters Bank & Trust Co., Farmville, Va., a State member, was granted authority to exercise Fiduciary powers, under certain conditions, on June 3, and the conditions were accepted by the bank on June 6. The five new National banks, with dates upon which Fiduciary powers were confirmed chronologically arranged, were as follows: First National Bank & Trust Co., Asheville, N. C., June 30; National Bank of Commerce of Charleston, Charleston, W. Va., July 15; Baltimore National Bank, Baltimore, Md., August 23; Security National Bank of Greensboro, N. C., September 16; and Hamilton National Bank, Washington, D. C., September 23.